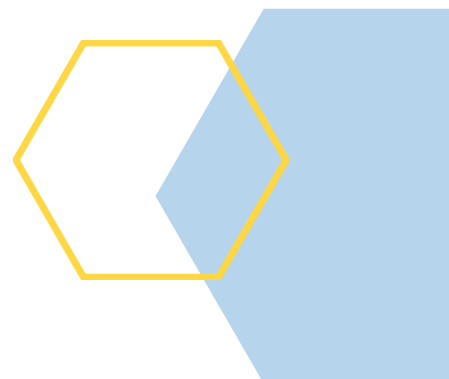




FIRST VIEW
May 2024



Delta Air Lines Partners with Accelya for NDC Technology





THE FACTS

On April 18, 2024, Delta Air Lines announced a strategic partnership with Accelya to adopt the Accelya FLX Platform for its New Distribution Capability (NDC) technology platform. This agreement marks Delta's first move to enhance its retailing capabilities and streamline distribution with NDC. The platform aims to enable Delta to offer personalised and consistent services across all its sales channels.

THE ANALYSIS

Delta's decision to partner with Accelya rather than develop a solution in-house, despite having a significant technology development center and a strong history of internal innovations, suggests a strategic pivot towards using external expertise for faster and perhaps more flexible technology deployment.

It also aligns Delta with its main competitors, American and United Airlines, which have already adopted similar NDC technologies. Accelya currently commands over 50% market share in the NDC space.

Delta is entering the NDC race somewhat later than its rivals, despite being actively involved in the original standards setting process with IATA. This first-hand experience may have positioned the company to observe and learn from challenges faced by rivals before committing to a firm strategy.

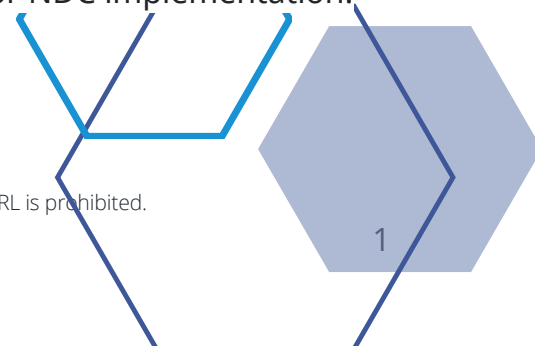
Delta's partnership aims to offer a more seamless, customer-first approach that could enhance its competitive advantage by increasing customer satisfaction and loyalty through improved personalisation and efficiency in service delivery.

This is particularly significant given the context of increasing pressures from travel agencies and regulatory bodies concerning airline distribution practices.

In that environment, the delay in adopting NDC compared to American and United may also reflect a patient approach from Delta, allowing it to benefit from travel seller resentment towards its competitors which actively pushed for NDC implementation.

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THE SPECULATION

The partnership could be a strategic move to preemptively address market needs and regulatory pressures while aligning Delta with Accelya's technological standards in airline retailing and distribution.

By tapping Accelya's expertise, Delta might be aiming to standardise service quality and offer capabilities comparable to others in the industry, potentially leading to better control over the customer experience.

The choice not to use Virgin Atlantic's in-house NDC API, despite Delta's ownership stake in Virgin Atlantic, may indicate a preference for Accelya's proven and widely adopted platform.

This platform supports airlines globally and is known for its robustness and scalability, facilitated by cloud technologies like AWS.

This could signify a broader shift in how airlines view their technology strategies, seeing value in partnership over proprietary development to stay agile and responsive to market demands and technological advancements.

Overall, this partnership between Delta and Accelya is likely to have significant implications for the airline's distribution strategy, potentially enhancing its ability to compete more effectively in terms of both customer experience and operational efficiency.

T2RL Travel Technology Research Ltd, is an independent sourcing and research company that specializes in airline technology and distribution. Based on data since the year 2000 it has tracked industry trends for airlines as well as their IT providers, distribution partners, and customers. All parties use its research to make informed business decisions to meet current and future needs. For further information, visit our website at www.t2rl.com.

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